

MAJESTY MINING, INC.

3465 ST ANN

BUTTE, MT 59701

PHONE: 406-491-3944

FAX: 406-723-5282

March 23, 2011

House Natural Resources Committee
Capitol Building
Helena, MT 59620

RE: SB 306 CLARIFYING the Prohibition of Cyanide

Chairman Hendrick and Committee Members:

My name is Tad Dale and I reside at 3465 St Ann Street in Butte, MT. I am the President and Owner of Majesty Mining, Inc., a Montana Corporation since 1991. I am a mining engineer and a registered professional engineer in Montana. I have operated and intend to operate in the future this open pit gold and silver mine in the Revenue Mining District, 7 miles West of Norris, Montana. Mines in this district produced gold and silver from the 1860's up to WWII. Majesty Mining produced gold and silver for 4 years starting in 1995. The mine was in operation in 1998 and was grandfathered to use cyanide when the cyanide ban initiative was passed. Gold prices dropped to \$255 per ounce and the mine was shut down. The mine is located in the Tobacco Root Batholith and many mineralized zones exist within several miles of the property.

The ore from this mine was heap leached with a weak cyanide solution (200 ppm) and the precious metals were recovered using activated carbon. The DEQ just completed a 5 year bond review. The mine is fully permitted and bonded. During the active years at this mine there was no problem ever encountered from cyanide leakage or any type of contamination. There has been no cyanide present on this property for over a decade. As a matter of fact, the local rancher presently uses the inactive cyanide ponds as a source of water for his cattle.

The language in the Metal Mine Reclamation Act (MMRA) is not clear in describing the ability of an approved facility to accept outside ores that are mined by open pit methods. This bill (SB 306) clarifies the acceptance of ores from outside the permitted property. It does NOT increase the ability to permit a new location for a cyanide facility. The reason that a mine operator would use cyanide heap leaching as the method to recover precious metals is because the content of precious metals in the rock is considered too low grade to call it ore or in other words "make a profit". No operator would use heap leach methods to recover high grade ores. By definition, it would be only ores in close proximity to the permitted property that would be economically feasible to be shipped to the existing heap leach area for processing. Due to the low grade metal

content of deposits that could be heap leached, the freight expense regulates the economy of this process.

This bill makes perfect sense. Why not bring the ore of nearby deposits to one central permitted process area to recover the resource. The nearby properties would still have to go through the permitting process with DEQ to get an operating permit to mine. This keeps the disturbed footprint to a minimum and allows the ability for the already permitted mine to increase its ore reserves and mine life. This would add more jobs and more tax base to the county and state.

Often times, there is a surface exposure of ore that indicates much deeper and higher grade deposits. This lower grade surface mined ore, if available to process at a nearby permitted cyanide property, gets the property opened up and pays for future development. Why not be good stewards of the entire resource and not be prevented from using a nearby processing facility that is already permitted. Old mine dumps and tailings could also be consolidated to one area, even if they were mined by surface methods.

Most of the large operating mines today started out as a small mine. Recovery of metals from low grade deposits should be encouraged. This bill DOES NOT expand the use of cyanide. The properties that would benefit from this language clarification in the MMRA already have the ability to use cyanide as regulated by their existing operating permits.

Please vote yes on SB 306 !

Sincerely,



Tad Dale
President
Majesty Mining, Inc.